

A photograph of four business professionals (three men and one woman) sitting on a stone ledge outdoors. They are dressed in business-casual attire and appear to be in a friendly conversation. The background shows a modern building with a large archway and some landscaping with yellow flowers.

Sustainability report

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2019

A holistic approach to solutions provides a strong foundation for Sustainability

People, Technology and Processes together create innovative and sustainable solutions

We are in a better position than most to adopt a holistic approach to the solutions we create with our customers as we have extensive technological skills, but perhaps more importantly because we have an in-depth understanding of the operational processes and the people who use them.

In addition to this, we are actively looking at ways to help meet the UN's 17 global development goals in Agenda 2030. All of this ensures that we can create truly sustainable solutions. We therefore know that we can contribute to a better future, which is incredibly inspirational for all our talented employees.

Solutions that meet the needs of today – and the future

The challenges that we, both organisations and society, are facing at the moment are immense and complex. However, if we look at what we can predict in the future, it is clear that everyone will need to make the most of the opportunities they have as effectively as possible.

By collaborating with our customers, we have in-depth knowledge of, for example, challenges in healthcare, stricter environmental requirements and rapid changes in society. Working together, we can lay the foundation to increase our ability to handle these challenges

Technology that everyone can use

The usability of new technical solutions has taken enormous strides forward over the past ten years. The development of mobile telephones in particular, which has led to virtually everyone using a computer many times a day, means that we do not accept solutions that are difficult to use. But this is still not true for everyone. People with functional challenges still suffer from solutions and systems that have not been developed with them in mind. As an industry we still have a long way to go.

Use our resources sensibly and make the most of every resource

It should be second nature for everyone to use the Earth's resources efficiently and to aim to provide fully circular solutions. Technology can play a major role here by identifying opportunities, but also by helping to measure and monitor.

The fact that women and foreign-born people are still significantly under-represented in our industry, including at Softronic, is a fail point for us, but is an area where we can make a significant improvement.

Per Adolfsson
CEO



Working with our stakeholders creates significant sustainability benefits

Five stakeholder groups

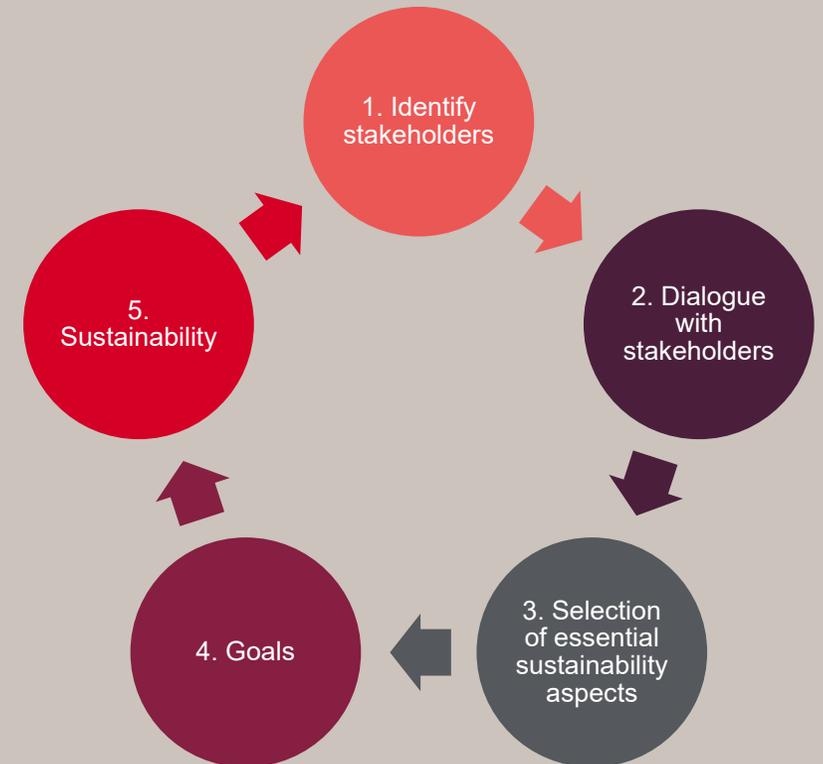
We have identified both existing and potential customers, employees, owners, suppliers and partners, as well as society in general as stakeholders. These have been selected on the basis of the stakeholder groups that are important as they have an impact or are impacted by our operations.

Six essential aspects of sustainability

Within the framework of our process for selecting essential aspects of sustainability, we have identified six aspects in which Softronic's sustainability work is undertaken as a primary interest. In dialogue with our stakeholders, these aspects have been selected based on our business orientation and the Global Goals set in Agenda 2030.

- » Sustainability benefit in our deliveries
- » Sustainability expertise among our employees
- » Diversity and equality
- » Financial stability
- » Security
- » Responsible resource utilisation

We conducted a materiality analysis covering all 169 targets in Agenda 2030. The work was conducted by our sustainability organisation, which represents all business areas in Softronic. The analysis confirmed that we are concentrating our sustainability work in the right areas.



Important issues for us and our stakeholders

The table below summarises the way we conduct dialogue with our stakeholders and the issues that are considered important when dealing with each stakeholder group.

Stakeholders (current and potential)	Channels for dialogue	Important questions
Customers	In our daily business operations, customer surveys, cooperation meetings, environmental benefit analyses, evaluations, social media, trade fairs	Offering, quality, security, environmental benefit, working conditions
Employees	In our daily business operations, employee surveys, performance appraisals, skills forum, status meetings, interviews	Environment, diversity and gender equality, skills development
Suppliers and partners	In our daily business operations, procurement, supplier interviews	Environmental and sustainability requirements
Owners	Annual General Meeting, Board work, investor meetings, interviews	Profitability, sustainable business development
Society	Social media, employer organisations, industry associations, aid organisations	Environment, working conditions, human rights



Objectives and results, 1-2

1. Sustainability benefits in our deliveries

The business operations and services of Softronic's customers often have a significant sustainability impact. We want to jointly challenge ourselves and our customers to maximise the sustainability benefits of the solutions that we create together. The work is carried out within the framework of our steering group work and in our teams.

Goals and results: To conduct environmental benefit analyses for all customer assignments that exceed MSEK 3 in sales in 2019. Our level of ambition is high, making this goal difficult to reach. A more realistic goal for 2020 is to achieve 15 sustainability benefit analyses or sustainability cases.

2. Sustainability expertise among our employees

In order to create sustainability benefits, Softronic has a huge responsibility to train our employees so we can advise our customers. We see increased involvement with our current and potential employees. Many employees appreciate a sustainable employer and also the opportunity to influence the attitude of our customers when it comes to sustainability. This work is supervised by our environmental organisation.

Goals and results: Softronic's employees have completed the environmental training programme. 97.5 per cent of Softronic's employees have completed the environmental training programme. The goal for 2020 is for all employees to have completed Softronic's sustainability training, and training on the effects of digitalisation on the climate and sustainability.



Objectives and results, 3-4

3. Responsible resource utilisation

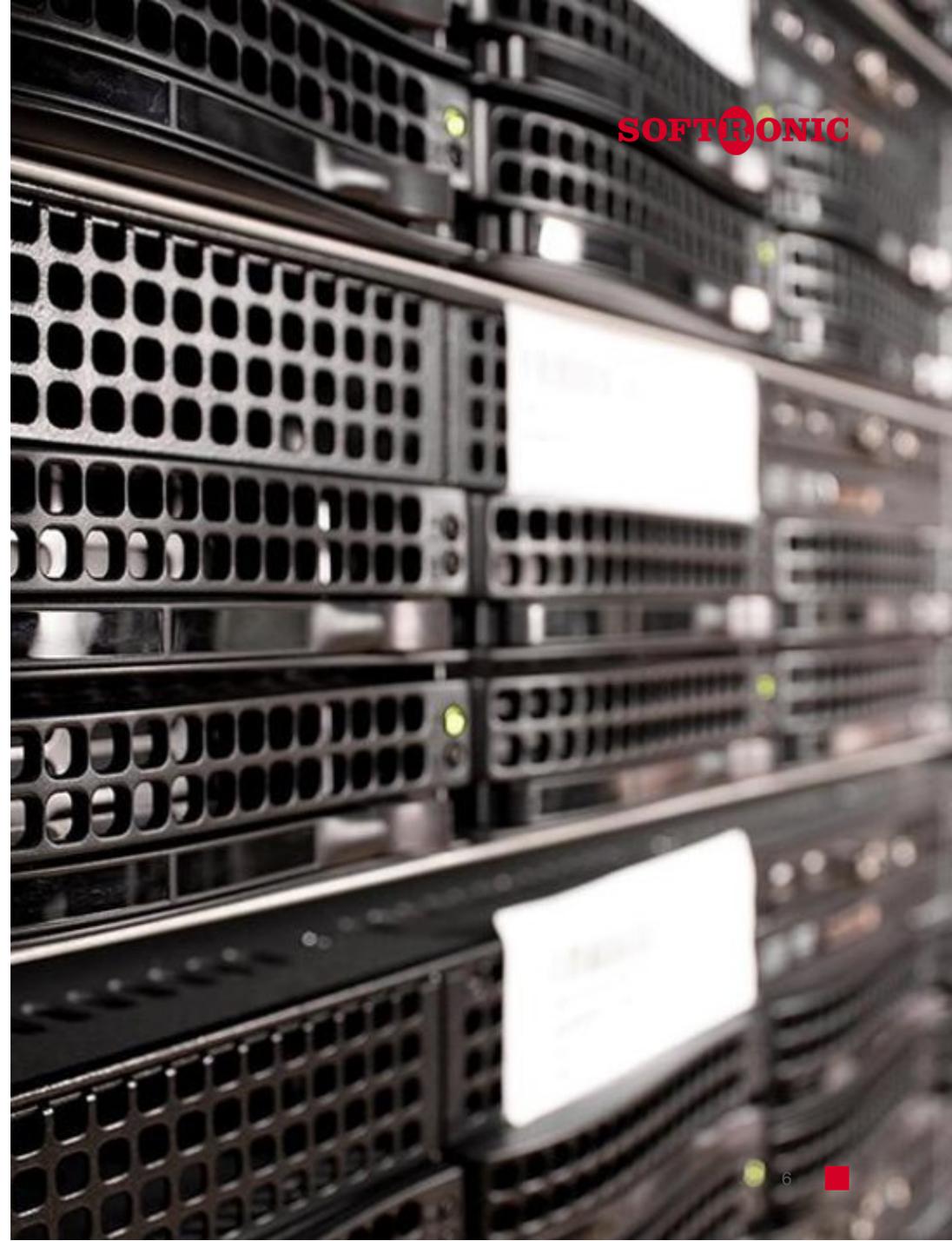
Our sustainability work is governed by our management system and regulates, for example, our travel arrangements and our purchases. We are certified in line with ISO14001 and are conducting an active improvement process. We continue to make active choices that take sustainability into account. This work is supervised by our purchasing function.

Goals and results: To reduce energy consumption at our units (at external data centres) by an average of 20 per cent per virtual server between 2018 and 2021. So far we have reduced our electricity consumption by 20.96 per cent per virtual server. Our new goal is to achieve a reduction in energy consumption at our units (at external data centres) of an average of 35 per cent per virtual server between 2018 and 2021.

4. Diversity and equality

We promote diversity and equality, and work to achieve a more even gender distribution at the workplace. One extremely important part of this work is to develop a culture that supports the opportunities for women and men to combine their private lives with an interesting and challenging work life. The goal is for Softronic's employees to reflect the diversity in society. This work is supervised by the management team along with our HR function.

Goals and results: In 2019 Softronic reported a new recruitment rate for women of 32 per cent, which is higher than in the previous year. The percentage of women in senior executive roles stood at 30 per cent during the year, which was our goal. The goal for 2020 is for the new recruitment rate for women in senior executive roles to remain at a minimum of 30 per cent.



Objectives and results, 5-6

5. Financial stability

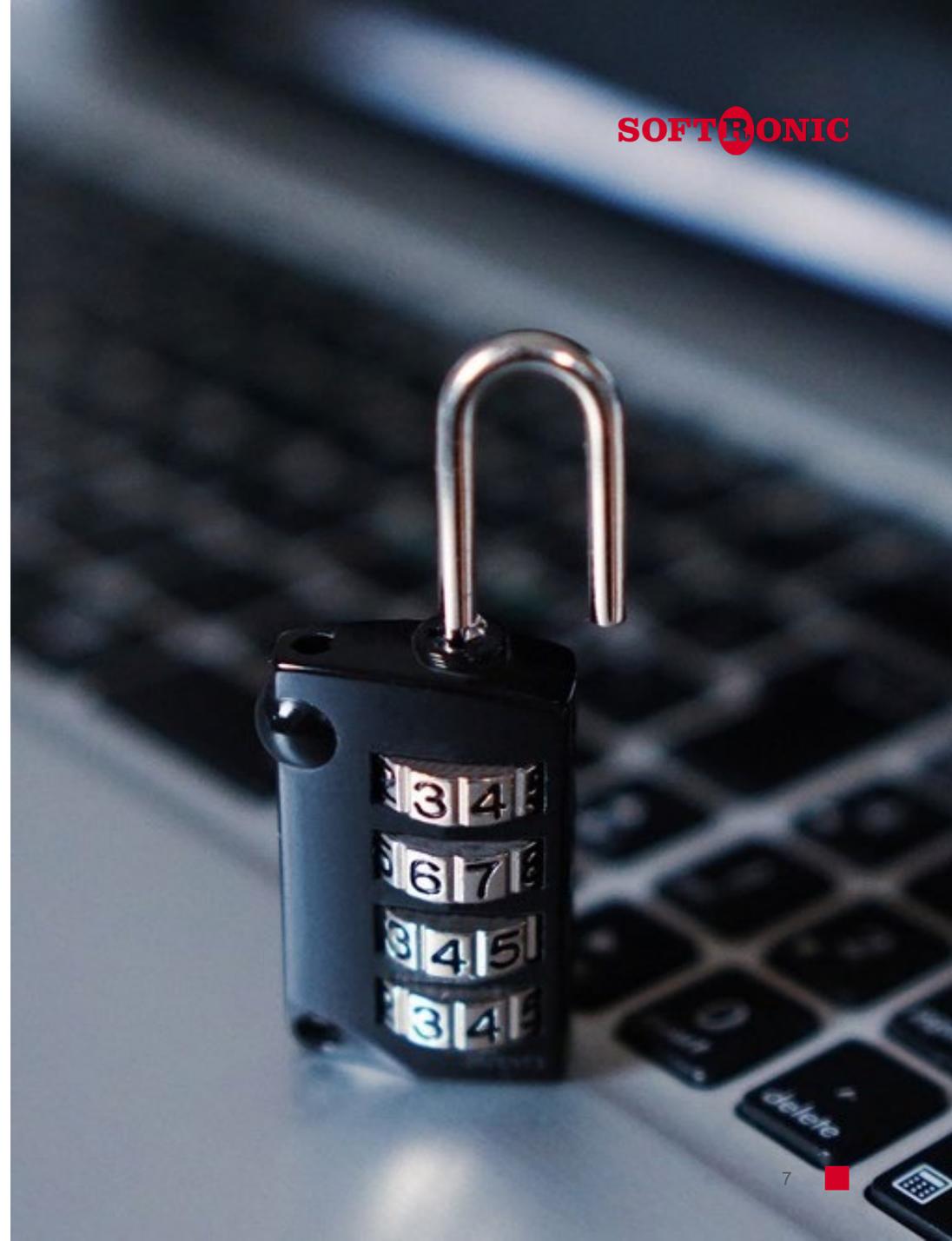
Softronic must work for lasting, inclusive and sustainable economic growth, full and productive employment with decent working conditions. The way in which Softronic works when it comes to human rights, the environment, staff, social factors and combating corruption is governed by Softronic's Code of Conduct. The Code of Conduct combined with the explicit goals that have been set for the key sustainability aspects creates the conditions for structured sustainability work.

Goals and results: Profitable growth and a target margin of more than 10 per cent with today's mix of customers and business. The profit margin for 2019 was 10.0 per cent. The goal for 2020 is continued profitable growth and a margin of more than 10 per cent with today's mix of customers and business.

6. Security

The challenges for information and IT security are increasing as a result of society's digitalisation. Working systematically with information and IT security is essential in creating a sustainable society. This work involves dealing with vulnerabilities in the IT infrastructure, obstructing and preventing criminality in all its forms, and identifying and averting attacks against all sections of society. Softronic works actively to develop services in this area, by providing sound advice to our customers and enshrining this perspective in everything we do. The work of creating awareness and insight among our employees and customers is high on the agenda within the framework of our ISO27001-certified security work.

Goal 2019: All employees are to have completed our internal training programme in information security. In 2019, 60 per cent completed the information security training programme. Softronic's operations must have achieved the basic level in Softronic's information security strategy, where the focus is on risk management and risk awareness, and our employees must have completed our internal training programme in information security.



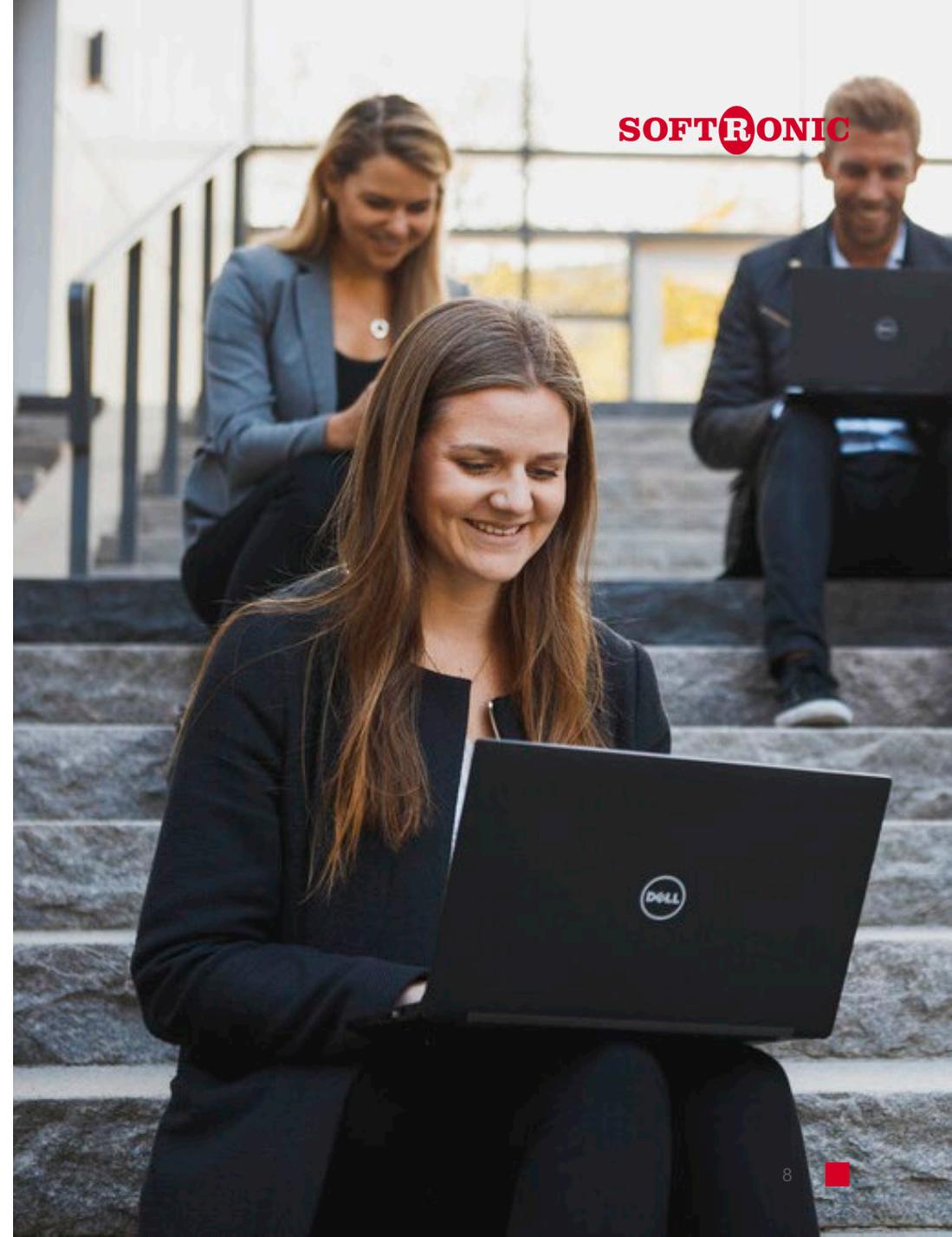
Softronic's Code of Conduct – a summary

Softronic's Code of Conduct forms the basis for our company's commercial behaviour and our responsibility towards colleagues, customers, suppliers, shareholders and authorities. We can only live up to our responsibility as a company if we comply with our ethics rules and detailed guidelines.

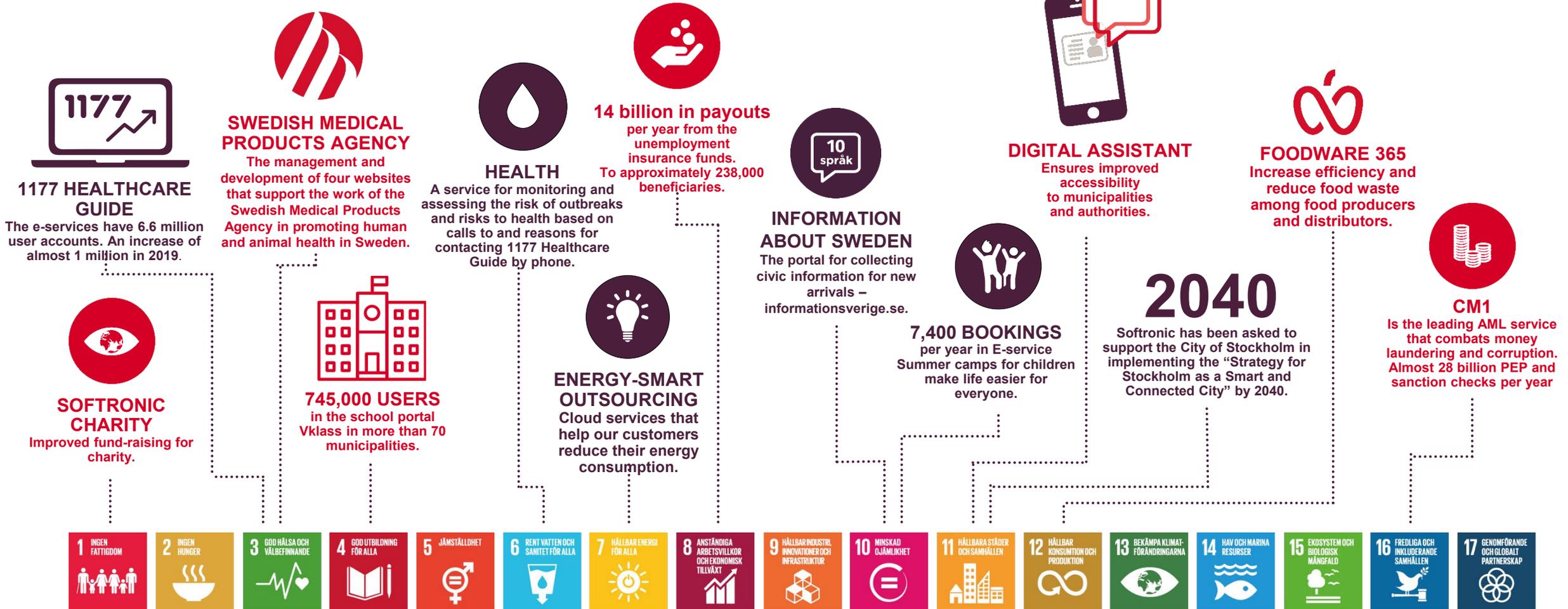
The Code of Conduct has a clear focus on sustainability. It explains, for example, that Softronic must contribute to positive social development by assuming social, environmental and financial responsibility. This means that all our purchases must be made based on sound ethical principles with a high level of integrity. This is also why we are committed to diversity, equality and programmes such as the UN Global Compact, whose principles we adhere to on human rights, employment law, environmental issues and anti-corruption.

Our active work to reduce Softronic's environmental footprint mostly involves setting requirements for suppliers and also making conscious choices internally at the company. It also means that we highlight the entire sustainability perspective in our customer assignments. This is particularly true of our deliveries of IT services, which improve our customers' working methods and business. The technology that we deliver boasts good environmental performance, including a high proportion of cloud services and other solutions for greener IT. This enables us to help our customers comply with the stricter requirements for sustainability in their business operations.

Read the Code of Conduct in full here: softronic.se/om-oss/etik



Our customers are challenging us to work with them to create sustainable solutions



Sustainability expertise among our employees – a requirement

We shoulder great responsibility in terms of training our employees in sustainability, and helping our customers become more sustainable, which is why this is a crucial element of Softronic's business. All employees receive skills development based on their needs and role in the operations. We are of course certified for the environment in accordance with ISO 14001. In 2019 we signed the Digitalisation Consultancy Industry's roadmap for a fossil-free Sweden. One of the goals in this roadmap is to establish minimum levels of knowledge among employees regarding the impacts of digitalisation from a climate and sustainability perspective. This goal is incredibly important and we worked on it during the year, as we know we need to achieve it if we are going to have the right foundations in place. The next stage is to ensure that our employees reach these levels of knowledge and this is what we will be working on in 2020.

One important area for Softronic in 2019 was to continue work on the introduction of our working method for sustainability issues for our deliveries. The training in working methods and our global goals provides more of our employees with the knowledge they need to help offer more ideas that are beneficial to society and engage in productive dialogue with our customers. In 2019 we also created a service for sustainability and business development to further strengthen our knowledge capital in this area. This means that we are now equipped to help our customers use the right methods and equipment in their sustainability work, so that we can work together to achieve the global goals.

Sometimes there is reason for us to be extremely proud of what we are doing and are able to do; for example, this year we were awarded a gold medal for the second year running in EcoVadis's annual international ranking of CSR work in companies. It is great to get this kind of confirmation that our knowledge and skills in CSR are being put into practice.



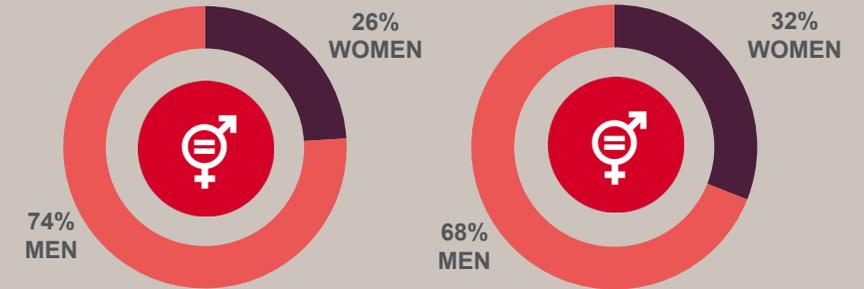
Gender equality and diversity

At Softronic we are convinced that diversity enriches, creates dynamism and improves innovation capability, which promotes both gender equality and improves the working climate. Diversity also contributes to success and profitability; using our different perspectives and unique differences, we produce better services and products, and enhance our customer focus and decision-making abilities.

The fundamental aim of our diversity work is to generate and develop a culture where everyone enjoys the same opportunities and rights, regardless of gender, gender-based identity, ethnic affiliation, religion, disability, sexual orientation and age. We actively consider diversity when recruiting new employees. The diversity aspect is always decisive if the skills of the applicants are otherwise equal.

We promote an inclusive workplace. We see, listen to and respect each other. We safeguard our shared processes and standards by ensuring that employees actively observe our Code of Conduct. We encourage all our employees to show moral courage – we are jointly responsible for acting against discrimination, mobbing and harassment/sexual harassment. Our leaders are also trained in how to deal with these issues. The employee surveys in recent years show very positive results of us being a sustainable and thriving workplace.

The employees feel that they have equal opportunities regardless of cultural background, gender or sexual orientation.



GENDER DISTRIBUTION ALL EMPLOYEES at Softronic

GENDER DISTRIBUTION ALL EMPLOYEES who started in the last 12 months



85% OF THE EMPLOYEES THINK THAT SOFTRONIC HAS STRONG ENVIRONMENTAL AWARENESS AND SOCIAL RESPONSIBILITY

An increasing number of women are leading our assignments

We adopt a long-term approach to our employees' expertise. Employees start with a trainee programme at the beginning of their career. New employees who already have previous experience are given personal coaching, an induction and training in sustainability and the environment. The exchange of skills between employees is an ongoing process in practical work and in our skills forums.

We are working actively on the issue of gender equality. In 2019 we intensified our long-term ambition and goal to increase the proportion of women at the company. We were successful in increasing the proportion of women by a few percent. The gender equality work is an ongoing process and has produced results at Board level, with the appointment of another woman. This year's salary survey does not identify any unreasonable differences between the genders.

We are continuing our diversity and gender equality work in 2020 in the same spirit as in the previous year. We are also striving to show continuous improvements in this vital and ongoing work.

It is important to increase the proportion of women in both senior positions and management roles in delivery. The goal for senior executives was 30 per cent, which we achieved in 2019. We are also looking at the distribution among our assignment managers, for example, project managers, management leaders, test managers, etc., which is currently 40 per cent women. This is something positive and we hope that it will lay the foundation for better gender equality among senior executives.



GENDER
DISTRIBUTION
SENIOR
EXECUTIVES at
Softronic



GENDER
DISTRIBUTION
ASSIGNMENT
MANAGERS at
Softronic

Requirements for us and our suppliers

We need to set requirements on ourselves and on our suppliers if we are going to take responsibility for how resources are used. At Softronic we set environmental requirements on our suppliers and we have strict environmental requirements for the goods and services that we buy. Priority is given to suppliers that are certified in accordance with established environmental standards or that can show that they have structured environmental/sustainability work.

It is important for us to review the service and supplier we use for our electricity consumption and this is something we looked at in 2019. As a result we now have electricity from renewable sources at all our offices, where we can take decisions ourselves on electricity suppliers.

Software has had a meeting and travel policy in place for many years to help our employees make environmentally-conscious decisions. We should only travel if necessary and we should travel in an environmentally-conscious way. For example, meetings should be organised in such a way that participants can travel to them by public transport and train. Employees may not travel by plane for distances shorter than 500 km, unless they have special approval. So if an employee is travelling between Stockholm and Gothenburg, they should normally travel by train.



A stable, long-term industry is essential for a sustainable society

At Softronic, **social responsibility** is not only about sustainability. We also work for a better society and a better environment by aiming to grow financially based on ethical principles.

Our financial goals include being one of the top listed consultancy firms in terms of both growth and profitability. The long-term goal is to achieve a 5–7 per cent increase in employees and sales growth of a minimum of 10 per cent, of which at least half should be organic.

Softronic's growth should always be profitable. We have almost met our growth targets, even though growth has been organic. The long-term target for the profit margin in the core business areas of outsourcing assignments and cloud services is higher than 15 per cent. The margin target for other business, such as resources consultancy sales and re-selling, is higher than 5 per cent. This means that a target margin for the Group as a whole is higher than 10 per cent with today's mix of customers and business.

The Board of Directors has delegated responsibility to the Group management team to lay the foundation for sustainability work, for example by identifying stakeholders and monitoring the sustainability process.



	2015	2016	2017	2018	2019
Sales, MSEK	601.9	614.7	657.0	737.2	720.0
EBITDA, MSEK	46.5	50.0	75.5	75.0	97.0
Profit/loss before tax, MSEK	38.6	42.2	67.0	68.3	72.1
Profit margin, %	6.4	6.9	10.2	9.3	10.0
Number of employees at year-end	469	432	445	438	437

Support for charity fundraising

Softronic's CRM system Charity was born out of the need for fund-raising organisations to develop their relationship with donors and have a user-friendly system to handle time-consuming administration. The system is a bespoke, turnkey solution that provides fund-raising organisations with excellent opportunities to focus on their work with donors and increase the number and average value of donations.

Softronic Charity provides the fund-raising organisation provides the fund-raising organisation with full control over the entire range of fund-raising activities and a better understanding of the target groups. It gives them the opportunity to adapt communication channels and get better results in their campaigns. When time-consuming administration is made more efficient, organisations can dedicate more resources to the principal task of getting more people to help in the fight against poverty and increase support for people in need of help.

All event-driven activities can be entered and managed by Softronic Charity, including things like thank-you notes, deed of gifts, reports for honorary persons and welcome letters in connection with direct debits. The results can then be analysed using the system's analysis tools. The budget and the accounting connected with the campaigns can also be managed directly in Softronic Charity.

At Softronic, we are immensely proud to be able to offer Softronic Charity to aid organisations, and as a result help them succeed in their hugely important work.



Photo: Hans Jörgen Ramstedt/
Läkarmissionen

“Where water is scarce, Läkarmissionen digs wells. Water saves lives. Good hygiene is always important, but particularly now with the coronavirus.”

Monika Frieberg, Database and Head of IT,
Läkarmissionen

Smart and connected city makes life easier and better

The City of Stockholm has tasked Softronic with working to make Stockholm a smart and connected city. This means utilising digitalisation and new technology to achieve an improved quality of life and a better business climate for everyone who lives, works and visits Stockholm. Using this new technology the city, together with its residents, business community and educational institutions, can develop simpler, better and customised services and address demographic, environmental and social challenges in order to achieve the goal of becoming the world's smartest city by 2040.

A smart and connected city also means being sustainable from a social, economic and ecological perspective. The starting point for this development is that the smart city will be achieved through innovative solutions, transparency and connectivity. This will provide the highest quality of life for residents and the best possible climate for the business community.

To achieve the goal of ensuring a smart and connected city, solutions need to be developed using central technical platforms that are available to all business operations across the city. These platforms will make it easier for the city to access and exchange information to a greater extent than it can today. The lion's share of the information will also be distributed externally as open data.

Softronic's mission includes establishing both technology and a framework. This includes an architecture that the whole city can base its development on, along with instructions on how to use the infrastructure and the central platforms, and finally a platform for managing the new data streams established via IoT in the urban environment.



SOFTRONIC

“We are happy to work with Softronic’s team on this assignment. They are responsive and focus on getting everything to work in practice.”

Stefan Carlson, CTO The City Executive Office

System support for combating money laundering

It cannot have escaped many people's attention that money laundering is a widespread criminal activity. Money laundering is used by drug dealers, human traffickers and gambling syndicates, but also by terrorists. It is essential to combat money laundering in order to secure a safe, peaceful and sustainable society.

Over time money launderers are becoming more skilful, while the consequences of money laundering are becoming more serious. It is also becoming more difficult to monitor what is happening in the world, providing them with more opportunities to launder money. Combating money laundering is therefore not easy and it requires support from smart solutions, such as Softronic's solution CM1.

CM1 is a system for combating money laundering, supporting compliance with laws on measures to combat money laundering and the financing of terrorism. CM1 is being continually developed based on customer needs and to comply with current laws and regulations. CM1 is offered as a service and it is introduced in close collaboration with the customer to meet the customer's specific needs and operations.

Trust helps business If companies do not comply with legislation, they can face millions in fines and customers will leave them. At Softronic we are, of course, proud to be able to help our customers comply with the regulations and help society with this incredibly important issue.



“CM1 has been on the market since 2009 and we are extremely good at continually improving our service so that our customers can combat money laundering. Working on such an important social issue is incredibly motivating and gives us the energy to keep on improving.”

Tommy Paanola, Business Manager, Softronic AB

Digital care services free up time for physical appointments

1177 Healthcare Guide has developed in recent years into a portal for e-services that makes communication easier between patients and healthcare providers. From 2018 every healthcare provider in Sweden must offer services through this website. One of the reasons for this is to increase the accessibility of physical care for people who really need it.

The site where patients and healthcare providers meet is called 1177.se. This site brings together personal e-services and is a place where everyone can contact healthcare in a simple way and get an overview of their own health and healthcare. For example, to renew prescriptions. To book an appointment. To get results. To look at their records. And many other services.

As the use of e-services at 1177.se increases, it is becoming even clearer that it is a win-win situation. The patient avoids waiting in a telephone queue and in many cases also avoids having to go to a health centre or hospital. It reduces the costs for the county councils as a case that can be resolved online costs much less than advice by phone and physical appointments. And just as important is the fact that it reduces the amount of travelling, which is good for the environment.

Softronic's assignment involves managing and developing the website's e-services to ensure that the architecture and technical solutions comply with national directives for e-health as well as other laws and regulations. We also ensure that 1177 Healthcare Guide is integrated with the National Service Platform – a technical platform that optimises the exchange of information between various IT systems in healthcare.



“We’ve been working with Softronic for many years to digitalise Sweden in e-health. The services have gradually grown to become one of the most used e-services in Sweden, and they retain their accessibility and stability. We are very happy.”

Carl-Gunnar Höglund,
Head of Management and Support 1177 Healthcare
Guide

GRI-index

CONTENT	STANDARD DISCLOSURES	PAGE/NOTE
102-1	Name of the organisation	Softronic AB
102- 2	Activities, brands, products, and services	Annual Accounts, note 20
102-3	Location of head office	Annual Accounts, note 20
102-4	Location of operations	Softronic is primarily active in Sweden
102-5	Ownership and legal form	OMX NASDAQ Stockholm since 1998
102-6	Markets served	Softronic has offices in Stockholm, Gothenburg, Malmö, Sundsvall and Arjeplog. The customers are predominantly in Sweden.
102-8	Information on employees and other workers	p. 11-12, annual report p. 4 and the annual accounts note 3
102-9	Supply chain	page 13
102-13	Membership of associations	Softronic is a member of Almega IT & Telecom companies
102-14	Statement from the CEO	page 2
102-15	Key impacts, risks and opportunities	p. 3-7
102-16	The organisations values and codes of conduct	Softronic has a Code of Conduct that is approved by the Board of Directors and is revised annually. For more information, see page 8. The Code of Conduct is reviewed with employees as part of the on-boarding process. Employees take e-learning courses on the environment and information security.
102-17	Mechanism for ethics, values and complaints	page 8 and page 14
102-19	Delegation	page 14

GRI-index

CONTENT	STANDARD DISCLOSURES	PAGE/NOTE
102-40	List of stakeholder groups	p. 3-4
102-42	Identifying and selecting stakeholders	p. 3-4
102-43	Approach to stakeholder engagement	p. 3-4
102-44	Key topics and concerns raised	p. 3-14
102-45	Entities included in the report	All companies are included in the sustainability report, annual accounts note 9
102-47	List of material topics	p. 3-14
102-48	Restatements of information	No adjustments
102-50	Reporting period	The sustainability report is for the 2019 calendar year
102-51	Date of previous report	12/04/2019
102-52	Reporting cycle	Annually at the same time as the Annual Accounts
102-53	Contact point for questions regarding the report	Joachim Lundberg, Chief of Staff or sustainability@softronic.se
102-54	Claims of reporting in accordance with the GRI Standards	This report refers to GRI Standards GRI 102: General disclosures 2016; GRI 103: Management approach 2016 and GRI 205 Anti-corruption 2016.
102-55	GRI index	p. 19 and p. 18
102-56	External assurance	The report has not been reviewed by an external party
103-1	Explanation of the material topic and its boundary	p. 3-14
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption

Auditor's statement



Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i Softronic AB (publ), org.nr 556249-0192

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2019 och för att den är upprättad i enlighet med årsredovisningslagen.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Uttalande

En hållbarhetsrapport har upprättats.

Stockholm den 31 mars 2020
PricewaterhouseCoopers AB

A handwritten signature in blue ink, appearing to read 'Nicklas Kullberg', is written over a faint, light blue circular stamp.

Nicklas Kullberg
Auktoriserad revisor

